

Message Text

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ACTION NEA-10

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AMEMBASSY KATHMANDU
AMCONSUL MADRAS
AMEMBASSY MOSCOW
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C O R R E C T E D C O P Y (TEXT CORRECTED)

CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: PINT, IN
SUBJECT: MORARJI RESPOND TO HIS CRITICS

REF: NEW DELHI 12525, NEW DELHI 12604

1. SUMMARY: TWO CONTENTIOUS ISSUES WHICH HAVE DOMINATED
POLITICAL LIFE IN THIS CAPITAL FOR THE PAST MONTH AND A HALF
--ALLEGATIONS OF "CORRUPTION IN HIGH PLACES" AND THE SIMMER-
ING FEUD BETWEEN PRIME MINISTER DESAI AND OUSTED HOME MINIS-
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TER CHARAN SINGH -- SURFACED ONCE AGAIN IN PARLIAMENT ON AUG-
UST 24. MORARJI DEALT FIRMLY WITH BOTH ISSUES, BUT HIS MEAS-
URED RESPONSES ARE UNLIKELY TO SATISFY HIS CRITICS IN THE OP-
POSITION OR IN THE JANATA. ON BOTH COUNTS, IT STRIKES US THAT
THE IMPASSE BETWEEN THE PM AND HIS OPPONENTS IS LIKELY TO PRE-
VAIL. END SUMMARY.

2. "CORRUPTION IN HIGH PLACES": ON AUGUST 10 THE OPPOSITION PARTIES IN THE RAJYA SABHA (CONGRES (I), CONGRESS AND CPI) DEFEATED THE JANATA BY PASSING A RESOLUTION CALLING UPON THE GOVERNMENT EITHER TO SEEK THE GUIDANCE OF A 15-MEMBER INVESTIGATORY COMMITTEE OF THE UPPER HOUSE TO BE APPOINTED BY THE CHAIRMAN OR ALTERNATIVELY TO APPOINT JUDICIAL INQUIRY COMMISSIONS TO LOOK INTO ALLEGATIONS OF CORRUPTION CONCERNING THE FAMILIES OF MMARJI DESAI AND CHARAN SINGH. THE WORDING OF THE RESOLUTION MADE IT UNCLEAR WHETHER THE RAJYA SABHA CHAIRMAN WOULD GO AHEAD AND APPOINT THE 15-MEMBER COMMITTEE WITHOUT REFERENCE TO THE GOVERNMENT OR WHETHER THE INITIATIVE HAD TO COME FROM THE GOVERNMENT SIDE. IN THE INTERVENING WEEKS, THE OPPOSITION PARTIES ALMOST DAILY INTERRUPTED RAJYA SABHA PROCEEDINGS TO DEMAND THE GOVERNMENT'S RESPONSE TO THE RESOLUTION, FINALLY SETTING AUGUST 24 AS THE DEADLINE FOR THE JANATA TO INDICATE WHICH OF THE ALTERNATIVE COURSES OF ACTION IT PREFERRED.

3. ON AUGUST 24 PRIME MINISTER DESAI TOLD THE UPPER HOUSE THAT THE GOVERNMENT "REGRETTED" ITS "INABILITY" TO ACCEPT EITHER ALTERNATIVE SINCE NO SPECIFIC INSTANCES OF CORRUPTION WERE MENTIONED IN THE AUGUST 10 RESOLUTION. INSTEAD, HE SAID THAT IF ANY MEMBER OF THE HOUSE SUBMITTED IN WRITING A SPECIFIC CHARGE OF CORRUPTION, THE GOVERNMENT PROPOSED TO REFER IT TO THE CHIEF JUSTICE OF INDIA FOR HIS EXAMINATION. MORARJI'S REJECTION OF THE RESOLUTION TOUCHED OFF ANOTHER LIMITED OFFICIAL USE

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TUMULTUOUS DEBATE WHICH BLASTED THE PM'S STANCE AND DEMANDED THE IMMEDIATE APPOINTMENT OF THE 15-MEMBER COMMITTEE. RAJYA SABHA CHAIRMAN B.D. JATTI PROMISED TO ISSUE HIS RULING ON THE ISSUE ON AUGUST 28.

4. MORARJI VS. CHARAN SINGH: WITH THE COLLAPSE OF THE SO-CALLED "OVERALL PEACE SETTLEMENT" ANNOUNCED BY MEDIATORS ON AUGUST 17, CHARAN SINGH'S SUPPORTERS RENEWED THEIR ATTACK ON THE PRIME MINISTER. ON AUGUST 24 EX-HEALTH MINISTER RAJ NARAIN MADE HIS THREATENED AND OFT-POSTPONED STATEMENT IN THE LOK SABHA GIVING HIS VERSION OF THE EVENTS SURROUNDING HIS DISMISSAL FROM THE CABINET IN LATE JUNE. (HE STATED REASON FOR HIS EXIT WAS AN UNAUTHORIZED SPEECH WHICH HE MADE IN SIMLA ON JUNE 25 WHICH WAS IN VIOLATION OF A BAN ON PUBLIC MEETINGS IN A PART OF THAT TOWN.) IN A LONG AND RAMBLING STATEMENT, RAJ NARAIN TOLD THE HOUSE THAT HE HAD DONE NOTHING WRONG IN SIMLA AND THEN PROCEEDED TO ATTACK MORARJI FOR "FALSEHOOD AND UNTRUTH". HE CLAIMED THAT THE PM ONLY USED THE SIMLA INCIDENT AS THE PRETEXT FOR DEMANDING HIS RESIGNATION AND CHARGED THAT MORARJI HAD MADE A PRECONCEIVED PLAN WHILE IN THE U.S. TO DISMISS CHARAN SINGH AND HIMSELF FROM THE CABINET. IN A PROMPT AND SPIRITED RESPONSE, DESAI RE-

BUTTED RAJ NARAIN'S ALLEGATIONS AND ACCUSED HIM OF WILLFULLY VIOLATING THE BAN ON PUBLIC MEETINGS IN SIMLA.

5. COMMENT: THE PRIME MINISTER'S RESPONSES TO THESE CHALLENGES ARE UNLIKELY TO SATISFY HIS CRITICS IN THE OPPOSITION OR IN THE JANATA. RAJ NARAIN CAN BE EXPECTED TO CONTINUE HIS INTEMPERATE OUTBURSTS -- MUCH TO THE DELIGHT OF THE OPPOSITION -- WHICH HAS GLEEFULLY SOUGHT TO CAPITALIZE ON THE VERY PUBLIC DISSENSIONS WITHIN THE RULING PARTY. ALTHOUGH RAJ NARAIN CAREFULLY AVOIDED RAISING THE KANTIBHAI DESAI CORRUPTION ALLEGATIONS IN HIS LOK SABHA STATEMENT AND THUS AVOIDED EXACERBATING THE SOREST POINT IN THE MORARJI/CHARAN SINGH FEUD, OUR PRESS AND MP CONTACTS FORESEE VIRTUALLY NO CHANCE OF THE PM AND HIS FORMER HOME MINISTER REACHING A RECONCILIATION. LIMITED OFFICIAL USE

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THE "BOTTON LINE" FOR MORARJI CONTINUES TO BE HIS INSISTANCE THAT CHARAN SINGH "MAKE AMENDS" BY PUBLICLY WITHDRAWING HIS ALLEGATIONS AGAINST KANTIBHAI.

6. NEITHER IS THE PM'S OFFER TO REFER SPEKIFIC CORRUPTION CHARGES TO THE CHIEF JUSTICE LIKELY TO SATISFY THE CONGRESS (I) AND OTHER OPPOSITION PARTIES. IN ITS STRATEGY TO KEEP THE CORRUPTION ISSUE IN THE NATIONAL SPOTLIGHT FOR AS LONG AS POSSIBLE, THE CONGRESS (I) HAS THREATENED TO BLOCK THE CONDUCT OF ALL BUSINESS IN THE RAJYA SABHA UNTIL THE 15-MEMBER INVESTIGATORY COMMITTEE IS APPOINTED. HENCE, THE IMPASSE BETWEEN MORARJI AND HIS OPPONENTS IS LIKELY TO PREVAIL. GOHEEN

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